

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

NAPOLEON EBARLE, JEANNE
STAMM, BRIAN LITTON, and REINER
JEROME EBARLE on behalf of
themselves and all other similarly situated,

Plaintiffs,

v.

LIFELOCK, INC.,

Defendant.

Case No. 3:15-CV-258-HSG

CLASS ACTION

**DECLARATION OF LORI L.
CASTANEDA REGARDING NOTICE
AND SETTLEMENT
ADMINISTRATION**

Judge: Hon. Haywood S. Gilliam

1 I, LORI L. CASTANEDA, declare and state as follows:

2 1. I am a Vice President of Operations at Garden City Group, LLC (“GCG”). The
3 following statements are based on my personal knowledge and information provided by other
4 experienced GCG employees working under my supervision and, if called on to do so, I could
5 and would be competent to testify thereto.

6 2. GCG is a recognized leader in legal administration services for class action
7 settlements, bankruptcy cases, and legal noticing programs. In its history of over 25 years, our
8 team has served as administrator for over 3,000 cases. GCG has mailed over 290 million notices,
9 disseminated over 800 million emails, handled over 29 million phone calls, processed over 50
10 million claims, and distributed over \$37 billion in benefits.

11 3. GCG was appointed as the Settlement Administrator pursuant to the Court’s
12 Order Granting Motion for Preliminary Approval (the “PA Order”) dated January 20, 2016. In
13 accordance with the Class Action Settlement Agreement (the “Settlement Agreement”)¹ and the
14 Court’s January 25, 2016 Stipulation and Order Regarding Revised Notices and Schedule of
15 Settlement Dates (the “Revised Order”), I submit this Declaration in order to advise the Parties
16 and the Court regarding the implementation of the Court-approved Class Notice program, Claims
17 Process, and to report on Settlement Administration, in accordance with the Settlement
18 Agreement, PA Order, and Revised Order.

19 **CAFA NOTICE**

20 4. Pursuant to Section VII.66 of the Settlement Agreement, and in compliance with
21 the requirements of 28 U.S.C. § 1715, on November 13, 2015, GCG served upon all required
22 government officials initial notice of the proposed Settlement Agreement and an estimate of the
23

24 ¹ Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth
25 in the Settlement Agreement.

1 number of Class Members residing in each state. The notice included a compact disc containing
2 electronic copies of all complaints filed in the Action (as well as instructions for how to
3 download the documents electronically from the Court's ECF system), the Settlement Agreement
4 and exhibits thereto, and Plaintiffs' Notice of Motion; Motion for Preliminary Approval of Class
5 Action Settlement; and Memorandum of Points and Authorities and exhibits thereto. On
6 November 20, 2015, GCG served upon all required government officials supplemental notice of
7 the proposed Settlement Agreement with an updated estimate of the number of Class Members
8 residing in each state. A list of all government officials to whom CAFA notice was provided is
9 attached hereto as **Exhibit A**.

10 **CLASS DATA TRANSFER**

11 5. Pursuant to Paragraph VII.65(A)(1) of the Settlement Agreement, on January 7,
12 2016, LifeLock provided to GCG, via a File Transfer Protocol ("FTP") site, electronic files for
13 two separate data sets: (1) a list of all Class Members who were not also Subclass Members as
14 of December 17, 2015, and (2) a complete list of all Subclass Members. Additionally, on
15 January 21, 2016, LifeLock provided GCG with a supplemental data file containing a list of
16 Class Members who were not also Subclass Members who enrolled in a LifeLock identity theft
17 protection program after December 17, 2015. Each list was a .csv file containing the Class or
18 Subclass Member's (i) first and last name; (ii) last known mailing address, where available; and
19 (iii) last known email address, where available (the "Class Data"). GCG downloaded these files
20 directly from the FTP site and GCG did not provide the Class Data to Plaintiffs, Class Counsel,
21 or anyone other than GCG.

22 6. GCG promptly loaded all the information LifeLock provided into a database
23 created for the purpose of Settlement Administration. GCG assigned unique identifiers to all
24 records to maintain the ability to track them throughout the Settlement Administration process.

1 5,977,723 Class Member email addresses. GCG sent the Email Notice to each Class Member at
2 all available email addresses beginning on February 18, 2016, and concluded sending the Email
3 Notice to Class Members who had an available email address on February 29, 2016.

4 11. GCG closely monitored all deliverability attempts of the Email Notice throughout
5 the dissemination of the Email Notice to Class Members who had an available email address in
6 the Class Data. Ultimately, 5,275,228 Email Notices of the 5,977,723 Email Notices that GCG
7 sent to Class Members who had an available email address in the Class Data were not returned as
8 undeliverable. GCG could not deliver a total of 702,495 Email Notices. A total of 478,971
9 Email Notices could not be delivered to Class Members because the email address no longer
10 existed, the email account was closed, or the email address had a bad domain name or address
11 error (collectively, "Hard Bouncebacks"). After three attempts, the remaining 223,524 Email
12 Notices could not be delivered to Class Members due to an inactive or disabled account, the
13 recipient's mailbox was full, technical auto-replies, or the recipient server was busy or unable to
14 deliver (collectively, "Soft Bouncebacks").

15 **DISSEMINATION OF THE CLASS NOTICE BY MAIL**

16 12. Pursuant to Paragraph VII.65(A)(2) of the Settlement Agreement, GCG was
17 responsible for providing the Court-approved Summary Notice via postcard to Class Members
18 for whom Email Notice was returned undeliverable and for whom LifeLock had not provided an
19 email address in the Class Data.

20 13. GCG caused the Court-approved Summary Notice to be formatted for distribution
21 by postcard to these Class Members. Attached hereto as **Exhibit C** is a template of the Court-
22 approved Summary Notice that GCG disseminated by mail ("Postcard Notice").

23 14. There were a total of 1,288,501 Class Members whose Email Notice was
24 undeliverable for one of the reasons set forth in Paragraph 11 above (*i.e.*, Hard Bouncebacks or

1 Soft Bouncebacks), or who did not have an email address in the Class Data but had a potentially
2 valid mailing address.

3 15. Pursuant to Paragraph VII.65(A)(3) of the Settlement Agreement, prior to mailing
4 the Postcard Notice to these Class Members, GCG ran the mailing addresses in the Class Data
5 for all Class Members through the National Change of Address ("NCOA") database maintained
6 by the U.S. Postal Service.² To the extent that any Class Member had filed a U.S. Postal Service
7 change of address request, the current address listed on the NCOA database was used in
8 connection with the Postcard Notice mailing (rather than the mailing address in the Class Data).
9 A total of 700,327 Class Member records in the Class Data sent through the NCOA database
10 were updated with a new address.

11 16. Pursuant to Paragraph VII.65(A)(5) of the Settlement Agreement, GCG promptly
12 re-mailed Postcard Notices to all 2,153 Class Members for whom the U.S. Postal Service
13 returned mail to GCG with forwarding information.

14 17. Pursuant to Paragraph VII.65(A)(4) of the Settlement Agreement, GCG promptly
15 performed Skip Traces consistent with industry standards to obtain address updates. With
16 respect to the 99,246 Postcard Notices returned to GCG as undeliverable not bearing a
17 forwarding address, GCG was able to update address information through Skip Tracing searches
18 and re-mail Postcard Notices to 69,123 Class Members.

19 18. As a result of these diligent efforts, as of May 12, 2016, there are only 32,073 of
20 the 6,499,241 Class Members in the Class Data to whom an Email Notice could not be delivered,
21 for whom no valid mailing address was available, and for whom no valid mailing address could

22 ² The NCOA database is an official U.S. Postal Service technology product, which makes change
23 of address information available to mailers to help reduce undeliverable mail pieces before mail
24 enters the mailstream. This product is an effective tool to update address changes when a person
has completed a change of address form with the Post Office. The U.S. Postal Service maintains
address information on the database for 48 months.

1 be located. Thus, over 99.5% of Class Members did not have their Summary Notice returned
2 undeliverable, which is a very high direct notice deliverability rate.

3 PUBLICATION NOTICE

4 19. Pursuant to Paragraph VII.65(C) of the Settlement Agreement, GCG caused the
5 Summary Notice to be formatted and published in *USA Today* on February 23, 2016. Attached
6 hereto as **Exhibit D** is a tear sheet featuring the formatted Summary Notice as seen in *USA*
7 *Today*.

8 SETTLEMENT WEBSITE

9 20. Pursuant to Paragraph VII.65(E) of the Settlement Agreement, on February 16,
10 2016, GCG launched the Settlement Website, www.ebarleclasssettlement.com, containing
11 detailed information about the Settlement. A live “clickable” link to the Settlement Website was
12 contained in the Email Notice and the complete URL was contained in the Postcard Notice. *See*
13 **Exhibits B-C**.

14 21. When launched, the Settlement Website included a copy of the Long Form Class
15 Notice, the Summary Notice, the Second Amended Complaint, the Settlement Agreement, the
16 Motion for Preliminary Approval, the Preliminary Approval Order, the Order Regarding Revised
17 Notices and Schedule of Settlement Dates, and various information about the Settlement,
18 including an overview of the Settlement, important dates and deadlines, searchable answers to 26
19 frequently asked questions, and a contact information page for the Settlement Administrator.
20 Class Members could also view and download a sample request for exclusion letter. Class
21 Members could also download paper copies of the Claim Form from the Settlement Website and
22 submit a Claim Form using an online portal. True and correct copies of the Long Form Class
23 Notice and the Settlement Website are attached hereto as **Exhibits E and F**.

24 22. Pursuant to Paragraph XIII.97 of the Settlement Agreement, on March 21, 2016,

1 GCG uploaded onto the Settlement Website Plaintiffs' Notice of Motion and Motion for
2 Attorney's Fees and Expenses and for Service Awards for Plaintiffs ("Fee Request"), as well as
3 all declarations filed in support of the motion.

4 23. GCG has maintained and will continue to maintain and update the Settlement
5 Website throughout the Settlement administration as required by the PA Order, the Settlement
6 Agreement, and any future Court order. As of May 12, 2016, the Settlement Website has
7 received 239,115 visits.

8 **SETTLEMENT TOLL-FREE NUMBER**

9 24. Pursuant to Paragraph VII.65(F) of the Settlement Agreement, on February 16,
10 2016, GCG launched a toll-free telephone number, 1 (855) 907-3140 (the "Settlement Toll-Free
11 Number"), with an Interactive Voice Response ("IVR") system, to accommodate inquiries
12 regarding the Settlement. Since the launch date, callers have had the ability to listen to important
13 information about the Settlement and to request copies of the Claim Form. The IVR system also
14 provides callers with the ability to speak to a live operator during business hours.

15 25. As of May 12, GCG has received 37,071 calls related to this Settlement on the
16 Settlement Toll-Free Number.

17 26. GCG has maintained and will continue to maintain the Settlement Toll-Free
18 Number and update the IVR throughout the Settlement administration as required by the PA
19 Order, the Settlement Agreement, and any future Court order.

20 **CLAIMS**

21 27. Pursuant to Paragraph VIII.68 of the Settlement Agreement, Class Members who
22 wished to make a claim for Twenty Dollars (\$20.00) from the Class Fund were required to
23 submit a completed Claim Form to the Settlement Administrator via email, via the Settlement
24 Website, or via U.S. Mail, so that it was submitted or postmarked no later than April 29, 2016.

1 GCG established an email account on November 3, 2015, and a post office box on October 13,
2 2015, for the receipt of Claim Forms, exclusion requests, objections, and any other
3 correspondence related to the Settlement. As of May 12, 2016, GCG has received 163,382
4 timely Claim Forms and 1,042 late Claim Forms. Pursuant to the Parties' request, all late Claim
5 Forms have been treated as if they were timely submitted.

6 28. Pursuant to Paragraph VI.61 of the Settlement Agreement, on May 12, 2016,
7 GCG provided to Class Counsel and LifeLock's Counsel a list of Valid Claimants and
8 Settlement Subclass Members as of the date of the report (May 12, 2016), which included the
9 member's name and total payment amount as calculated pursuant to Section VIII of the
10 Settlement Agreement. This list identified 164,424 Valid Claimants, of whom 78,830 were
11 Settlement Subclass Members and 85,594 were not Subclass Members, which cumulatively is a
12 claims rate of approximately 2.5%. Settlement Class Members will receive the following
13 payments: (a) the 85,594 Valid Claimants who are not Settlement Subclass Members will receive
14 \$20 each pursuant to Paragraph VIII.68 of the Settlement Agreement, for an aggregate total of
15 \$1,711,880; (b) the 78,830 Settlement Subclass Members who are also Valid Claimants will
16 receive \$39.48 each pursuant to Paragraphs VI.58, VIII.68, and VIII.70 of the Settlement
17 Agreement, for an aggregate total of \$3,112,208.40; (c) the 3,242,431 Settlement Subclass
18 Members who did not make Claims will receive \$19.48 each pursuant to Paragraphs VI.58 and
19 VIII.70 of the Settlement Agreement, for an aggregate total of \$63,162,555.88. In total,
20 \$67,986,644.28 will be paid to Class Members in this initial distribution with the remaining
21 balance to be distributed to qualifying Valid Claimants on a *pro rata* basis as part of the second
22 disbursement. Pursuant to Paragraph 63 of the Settlement Agreement, GCG anticipates the
23 aggregate total of all benefit checks to be issued to qualifying Settlement Class Members will be
24 \$68 Million, if the Settlement is approved.

OBJECTIONS AND OPT OUTS

29. Pursuant to Paragraph X.75 of the Settlement Agreement, Class Members wishing to object to the fairness, reasonableness, or adequacy of the Settlement or to the Fee Request had the option to submit written objections to the Settlement Administrator, emailed or postmarked no later than April 14, 2016.

30. As of May 12, 2016, GCG has received 57 timely objections and 3 late objections. A true and correct copy of the 57 timely objections is attached hereto as **Exhibit G**. A true and correct copy of the 3 late objections is attached hereto as **Exhibit H**.

31. Pursuant to Paragraph IX.71 of the Settlement Agreement, Class Members wishing to be excluded from the Settlement were required to submit written requests for exclusion to the Settlement Administrator, emailed or postmarked no later than April 14, 2016. Pursuant to the request of the Parties, a sample request for exclusion letter was included on the Settlement Website. A true and correct copy of the sample request for exclusion letter is attached as **Exhibit I**.

32. As of May 12, 2016 GCG has received 3,889 timely requests for exclusion and 30 late requests for exclusion from the Settlement. A true and correct copy of the list of Class Members who requested to be excluded from the Settlement is attached as **Exhibit J**.

33. Pursuant to Paragraph XI.84 of the Settlement Agreement, GCG provided weekly reports to Class Counsel and LifeLock's Counsel, which included the number of requests for exclusion received. Pursuant to Paragraphs IX.74 and X.76 of the Settlement Agreement, on April 22, 2016, GCG provided Class Counsel and LifeLock's Counsel with a list of all objections submitted by Class Members and Class Members who submitted timely and valid requests to exclude themselves from the Class.

ADMINISTRATIVE COSTS

34. As detailed above, GCG has completed dissemination of the Court-ordered Email Notice and mailed Postcard Notice, has processed and continues to process claims, and has maintained and continues to maintain and update the Settlement Website, the Settlement Toll-Free Number, and IVR. GCG's fees and expenses up to April 30, 2016, are approximately \$1,181,000, which is billed directly to LifeLock. No portion of the fees or expenses incurred related to Settlement Administration will be paid from the \$68 million Settlement Fund.

35. GCG will continue to administer the Settlement pursuant the Settlement Agreement and is prepared to make distributions to Settlement Subclass Members and Valid Claimants and handle all related follow-up through closure of this matter. Based on our review of the Settlement Agreement, GCG estimates remaining fees and expenses (consisting primarily of postage) will be approximately \$1,655,000, which will be billed directly to LifeLock. If the scope of Settlement Administration or the project assumptions change, the aforementioned estimate will adjust accordingly.



LORI L. CASTANEDA